



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
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Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

May 8, 2001

CERTIFIED RETURN RECEIPT
7000 0520 0021 7582 8845

Mr. Joe Dunlop
Resource Design Solutions
P.O. Box 1178
Riverton, Utah 84065

Re: Notice of Non-Compliance and Directive to Cease Mining Operations, Resource Design Solutions Inc., RDS 502, S/023/067, Juab County, Utah

Dear Mr. Dunlop:

This letter provides notice to Resource Design Solutions Inc. (RDS) that mining operations at the RDS 502 (S/023/067) are being conducted in violation of the Utah Mined Land Reclamation Act 40-8-1 et. seq. (Act) and the Minerals Reclamation Program Rules, sections R647-1 through R647-5.

Recent inspections performed by the Division suggest that large mining operations have been conducted before filing and receiving approval of a Notice of Intent to Commence Large Mining Operations at the RDS 502 mine site. By doing so, RDS has and continues to willfully or knowingly evade the surety requirements of the Mined Lands Reclamation Act applicable to large mines. See Utah Annotated Code 40-8-14 and Minerals rule R647-3-113.

Resource Design Solution Inc. is hereby directed to:

- 1. Immediately cease all mining activities at the RDS 502 mine site locations.*
- 2. Immediately cease removal of any mined or stockpiled material from the RDS 502 mine site.*

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3. *Post a Transitional Surety in the amount of \$33,250 to cover the reclamation costs for 6.65 acres of mining-related surface disturbance ($\$33,250 = \5000×6.65 acres) within 30 days of your receipt of this notice.*
4. *Submit a complete and technically adequate Notice of Intention to Commence Large Mining Operations to the Division within 45 days of your receipt of this notice (LMO application form and LMO rules attached).*
5. *Contact Vickie Southwick, Executive Secretary, at (801) 538-5304, within 10 days of your receipt of this notice to arrange a meeting with the Associate Director to discuss this matter.*

Finding of Non-Compliance

1. The RDS 502 Mine has exceeded the five acre surface disturbance threshold for a small mine operation. Section 40-8-13 of the Act and section R647-3-113 of the Minerals Rules requires the filing of a large mining notice of intention and Division approval before expanding beyond five acres of surface disturbance.
2. The operator has not posted a form and amount of reclamation surety acceptable to the Division as required by section 40-8-14 of the Act and section R647-4-113 of the Minerals Rules for a large mine operation.
3. The RDS 502 Mine disturbance has exceeded the five-acre threshold for a Small Mine permit since a July 6th, 2000 inspection by the BLM. To date, the operator has been granted **four** deadlines to reclaim or permit the site as a large mine and has failed to do so. Therefore, Resource Design Solutions, Inc. appears to have intentionally evaded the Act and Minerals Rules in a willful and knowing manner. Consequently, the operator's actions may be subject to section 40-8-9 of the Act.

Consequences of Continued Non-Compliance

1. Resource Design Solutions Inc.'s failure to resolve this Notice of Non-compliance within 30 days of receipt of this letter will result in the Division filing a formal Notice of Agency Action with the Board of Oil, Gas and Mining. Following public notice and hearing, the Board will decide whether to issue an abatement or compliance Order which may require: suspension or termination of all mining operations, immediate reclamation of all mining-related disturbances, and/or other lawful requirements as authorized under the Act.

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2. The Board may also ask the county prosecutor or attorney general to bring suit against Resource Design Solution Inc. to enforce its Orders and to seek assessment of appropriate penalties, not to exceed \$10,000 per violation for each willful and knowing violation of the Act.

If you have any questions regarding this Notice please contact me at (801) 538-5286, or Tom Munson (801) 538-5321. Thank you for your immediate attention to this matter.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

Jb

Attachments: BLM GPS map of area to be reclaimed
LMO permit application, LMO rules

cc: Larry Garahana, BLM
Mary Ann Wright, DOGM
Tom Munson, DOGM

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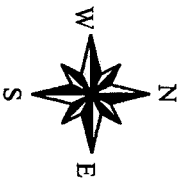
Notice of Non-Compliance Supplemental Information

Location of Mining Operation

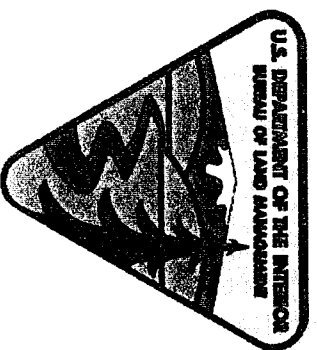
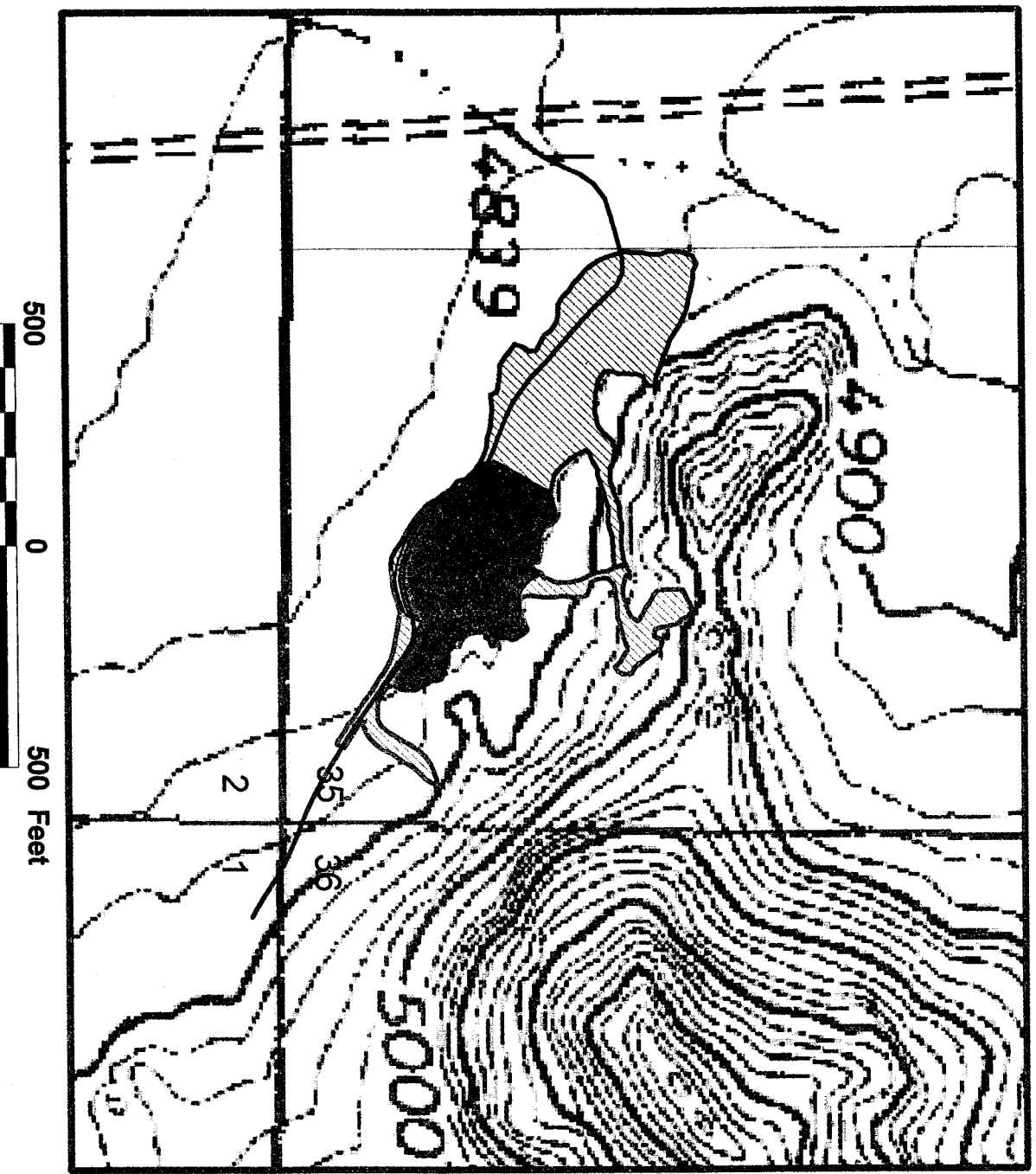
The RDS 502 mine is located in the SE corner of Section 35, T12 S, R. 7 W., SLBM, Juab County, Utah. This operation is also permitted with the Bureau of Land Management under UTU-075888


Background Information and Chronology

- 3/6/2000 Notice of Intent to BLM
- 3/14/2000 Small Mining Plan to Division
- 3/15/2000 DOGM and BLM acceptance of UTU-075888
- 5/01/2000 Amendment to Plan received
- 5/11/2000 DOGM acceptance of amendment
- 7/6/2000 BLM inspection notices disturbance as potentially being greater than 5 acres
- 11/14/2000 BLM inspection with GPS documenting 6.65 acres
- 11/22/2000 BLM and DOGM inspection verifying disturbance of 6.65 acres
- 12/8/2000 BLM letter to RDS setting 12/31/2000 deadline for reclamation to be completed
- 12/8/2000 DOGM letter giving following options:
 - 1) 5 days to respond to letter,
 - 2) 30 days to post surety, or
 - 3) 60 days to complete and file a Large Mine Notice
- 12/19/2000 BLM inspection, no reclamation performed
- 1/10/2001 BLM and DOGM inspection, no reclamation performed
- 1/24/2001 DOGM Extension to February 16, 2001 granted
- 2/20/2001 Phone call from Joe Dunlop, stated reclamation done
- 2/28/2001 BLM inspection, no reclamation
- 3/2/2001 Phone extension granted to Joe Dunlop until 3/9/2001 to perform required reclamation
- 3/7/2001 BLM and DOGM inspection, no reclamation done
- 3/9/2001 Phone extension deadline from 3/2/2001 request
- 3/13/2001 BLM & DOGM inspection, no reclamation, Joe Dunlop onsite, states equipment is coming
- 3/21/2001 BLM & DOGM inspection, no reclamation work performed



RDS's Disturbance and Proposed Reclamation



 RDS Access Road
 Area to be Reclaimed
 RDS Overall Disturbance

T. 12 S., R. 7 W., Sec. 35
Base Map
Desert Mountain Reservoir
7.5 Min Quad
Juab County Ut.
UTM 363315, 4398617

Prepared by: Larry Garahana
Date: December 4, 2000

JB

DOGM

S/023/067

NonC

5/8/01

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JOE DUNLOP
RESOURCE DESIGN SOLUTIONS
PO BOX 1178
RIVERTON UT 84065

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☒ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number (Copy from service label)

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